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COINAGE OF SILVER DOLLARS.

SPEECH

OF

HON. TIMOTHY O. HOWE,

OF WISCONSIN,

IN THE

SENATE OF THE UNITED STATES,

FEBRUARY 5, 1878.

WASHINGTON.
1878.

SPEECH

OF

HON. TIMOTHY O. HOWE,

The Senate having under consideration the bill (H. R. No. 1093) to authorize the free coinage of the standard silver dollar and to restore its legal-tender character—

Mr. HOWE said:

Mr. PRESIDENT: Only that courage which is born of conviction would induce me to present my own views immediately succeeding the very able and the very eloquent speech to which the Senate has just listened. Sir, it is not my purpose to-night to attempt to persuade any one else how to vote. My object is as briefly as possible to explain my own vote. I do that in the presence of the Senate because your rules require it to be done here; but my object, I confess in the outset, is to make myself intelligible if I can, rather to a few constituents of my own for whose judgment I have great respect but whose views on the question now before the Senate do not correspond with my own. From some of those constituents I have heard within a few days.

Mr. President, if the millions comprising the people of the United States had just been scattered over the country, if we had no coinage, no currency, no organized industry, no commerce; and if we had contracted no debts, public or private, then we should be quite at liberty to adopt such system of finance, such system of currency, to adopt such medium of exchange, to accept such standard of value, whether single or double or quadruple, as we might think best calculated to open up the future before us. That is not our condition. We have a coinage and a currency and a commerce and a productive industry, and we have contracted an enormous, almost an incalculable indebtedness. Therefore it seems to me that the primary condition to all change in our coinage should be that we do not cripple our business energies, that we do not shackle our industry, that we do not fetter our commerce, and above all, that we neither appreciate nor depreciate outstanding securities by whomsoever issued.

The only change proposed by the bill before the Senate is to reintroduce into your coinage a dollar to be composed of 412½ grains of standard silver. To this measure various objections have been and are urged. It is said that silver is too heavy for money. Factories, street cars, hotels have been employed as sample-rooms, where the missionaries of the gold interest have exhibited large sums of silver coin in order to create a popular disgust at its weight. Mathematicians have been employed to transpose your public debt from dollars into tons, and one political economist of a somewhat poetic temperament has suggested that if silver is to be used as money a wheelbarrow will be found the most convenient *porte-monnaie*. It is not to be denied that silver is heavy, but then it should be remembered that the density of silver is no greater than it has been for a

great many years, and the world has always used it until recently as money, and so far as I know the latest discoveries have found no people anywhere who employ the wheelbarrow for a *porte-monnaie.* I suppose if the sum of our public debt were to be counted out at one time and paid over to one man in silver dollars, it would embarrass him somewhat to put it in his pocket and take it away. So it would embarrass him if it was paid in gold coin, and it would be just as embarrassing for the debtor to pay in silver as for the creditor to receive it; it is as difficult for one to handle as for the other.

Mr. President, the simple truth is that your debt never will be paid in gold or silver coin, no matter what your contract may say, no matter what your laws may say. Your debts never will be discharged in either of these coins, for the simple reason that the coin does not exist with which to pay them. We dispute about a great many propositions in political economy; but about this there can be no dispute, that the world does not hold the coin, nor the bullion which can be made into the coin, equal to the payment of the world's indebtedness. Your debt, sir, must be paid in commodities much heavier than either gold or silver. Instead of paying in silver at something more than the dollar to the ounce, you must pay largely in wheat at one or two cents to the pound; you must pay largely in hay at from $5 to $10 per ton; you must pay in iron; you must pay in cotton; you must pay in the heaviest and the bulkiest commodities. That is the way payment is to be made practically, and I hope those who hold the bonds of the United States will not be made to turn white at the idea that they are to be compelled to lug off the principal of their debts in silver coin. The question before us is, not what shall be the weight of the commodities in which we pay our debts, but what shall be the standard by which those commodities shall be weighed.

Again, sir, it is objected that to reissue a silver dollar is to reintroduce a double or at least an alternative standard of value. It seems to me, that consequence is inevitable, and it seems to me that such consequence is to be deprecated; but mutability in the standard of value seems to be inevitable whether you employ one or both of the so-called precious metals in it. Before coinage gold and silver both are mere commodities and are valued as such; when coined into money they do not cease to be commodities although they become something more. Before coinage they have only an exchangeable value; when coined they require a tale value also, but they do not thereby lose the other, the commodity value. The tale value is controlled by statute; the exchangeable value is regulated by the relation which the volume of the metals bears to the volume of other commodities. The former is as immutable as the law; the latter fluctuates with every change in that relation. As the volume swells values rise; as the volume shrinks values fall. At one time the commodity value will control the movement of coin; at another the tale value. While the latter dominates coin is anchored to the statute and courses through the channels of trade in the country which stamps it. But whenever in Siberia or Siam a silver dollar will buy more than a dollar's worth, it straightway assumes the character of a commodity and it goes on the wings of trade to the uttermost parts of the earth and is bartered for whatever promises the most profit.

If we would have a national standard of value which is inflexible, we must construct it of some material which is above or below the influence of international trade and of accidental production. Nothing is more subject to all these influences than what we call the precious metals. Every new mine that is opened, every old one

exhausted, almost every steamer which sails to a foreign port or arrives from a foreign port, elevates or depresses our standard of value. A standard of measure marked upon the shoot of a locust all would think objectionable because too changeable, and yet such a standard of measure is far more suitable than a standard of value composed of what you call the precious metals.

The bill before the Senate contemplates the coinage of not less than twenty-four millions of silver annually. Undoubtedly your standard of value will vibrate under the influence of the measure, but the vibrations will not be more violent than they are now; in all probability will be less. If the silver displaces the same amount of gold, then the volume of coin will fluctuate just the same as now. If it be added to the gold coinage it will swell the volume year by year, but diminish the fluctuations from year to year.

In 1847 our gold coinage was forty millions; the next year it was three millions. In 1850 it was nine millions; two years later it was sixty-two millions. In 1860 it was sixty millions; in 1864 it was twenty-one millions. If twenty-four millions of silver had been coined each year the volume would have been swelled just so much each year. But the vibration from year to year would have been much less extreme. In the first instance, instead of from twenty millions to three millions, the fluctuation would have been from forty-four to twenty-seven millions; in the second instance, instead of from nine to sixty-two millions, the fluctuation would have been from thirty-three to eighty-six millions, and in the last case, instead of from sixty to twenty-one millions, it would have been from eighty-four to forty-five millions.

The fixed and determinate sum of silver added yearly to the indefinite sum of gold would give to our standard of value one element of stability, whereas now it has not a single element of it. But so long as we adhere to a standard of value which rises and falls, and sways to and fro with all the vicissitudes of mining, and with every fortune of fickle commerce, it hardly seems worth our while to submit to great sacrifices in order to guard against the influence of twenty-four millions of coined silver annually.

Again, it is said that—

Every consideration which justifies and requires the use of a precious metal as the basis of business * * * seems also to justify the use of both; * * * provided always that the use is universal, or nearly so; but that the remonetization of silver by the United States, at this present time, would be followed by such a *depreciation* in its value as to furnish a reason against the adoption of the plan by the rest of the world.

This proposition more briefly stated is that the double standard of value is best, but if we adopt the double standard without the consent of other nations we shall depreciate the value of silver and destroy its popularity, and in the end defeat the desirable object of recoining it.

Sir, there are but few propositions which arise upon which political economists are entirely agreed. On this one, however, they may be said to be very nearly unanimous, to wit, that monetizing a metal may appreciate but cannot depreciate its value. If the market value of silver bullion be a dollar an ounce, silver coins will be worth a dollar an ounce, although the statute may stamp them a cent each. The author I quote, who is a dissenting member of the silver commission, is, so far as I know, the only one who impeaches the truth of this proposition. There are also very few questions, political or economical, upon which Americans are wholly agreed; but the author just

quoted is, I believe, the only one who does not hold that the power "to coin money and regulate the value thereof" is by our Constitution conferred upon the Congress of the United States, and *not* upon a congress of nations. If that is so, I submit this Congress had better continue to exercise that power, and not attempt to abdicate it. If we coin money at all we had better coin the best, so far as we can ascertain what the best is. If the bimetallic coinage is the best, as this authority insists, we can afford to adopt it, although some other countries adopt the worst. Fifty years ago, Great Britain, as an "independent movement," adopted for herself that worst policy of a single standard. Great Britain still survives. Encouraged by that precedent, cannot we trust ourselves now, independently and alone if need be, to the *best* policy?

Another objection, and the only serious one, is that this is an attempt to depreciate our coinage and to pay our debts at a discount. This objection fills the mouth of every opponent of the pending bill. It is urged on every side, earnestly and often offensively. The pending measure has been stigmatized as "dishonest finance." Its friends are denounced as "currency quacks." The bill is said to be "perfidious" to the pledges given in respect to the public debt. An analysis of society has disclosed the fact that its rascals have combined in support of remonetization, and now exult in view of the fell blow they are about to strike at the public credit, while the pure and upright in heart are gathered into the ranks of the opposition, mourning the decadence of public virtue, and like the Ephesians before the gospel reached them, "having no hope, and without God in the world."

It was recently announced that a western city had been placed on the black-list because at a public meeting held within its limits the coinage of silver dollars was recommended. And so when some of its citizens tried to borrow money in New York they were told that money could not be trusted in the home of such a heresy. A metropolitan journal, which has been distinguished for its zeal in the cause of civil-service reform, only a few days since called upon the President to abandon that great cause; to snatch from the life of his perishing countrymen that water of life which has been gushing from order No. 1; to forego for the present all effort to ingraft upon the civil service such blossoms of reform as Theodore Roosevelt, and Colonel Fitzsimmons, and Michael J. Waldron; and for a time to use his post-offices and collectorships in calling the besotted devotees of remonetization to the worship of the one only true metal. Surely we must be hardened sinners indeed if we can withstand such abundant means of grace.

Taking the place assigned to me, among the rascals, meekly, I nevertheless feel moved to remark that, strictly speaking, the question is not whether we shall keep or break the promises we have made to the public creditor. In form, at least, the question is rather what *is* the promise made to the public creditor. There is a difference of opinion, real or pretended, as to whether we have or have not promised to pay our debt in gold. It seems to me the more charitable thing to assume, pending the debate, that the difference of opinion is real and not pretended.

Of course we promised to pay gold or we did not. Only one of the disputed theories can, by any possibility, be correct. But it is quite possible that both may be honestly believed; and I repeat that during the discussion I think it more generous, if not more just, to assume that both sides are honest in the opinions they avow. But I do not at all insist upon this predicate. If it will be a comfort to any one

who opposes the bill to feel sure that whoever is wrong in this great dispute is willfully wrong, I am quite willing to concede it for the sake of the argument. It makes the debate far more momentous. The question is then no longer one involving mere money, but one involving morals as well. The side which loses must forfeit not only gains but character.

If we have actually promised to pay in gold, those of us who propose to pay in a cheaper metal are trying to settle at a discount. But if, on the contrary, we really promised to pay in coin of a fixed standard, those who would enforce payment at an appreciated standard are endeavoring to collect a premium. If judgment goes against us, we must consent to wear the brand of repudiators; but if judgment goes against the other side, they must wear that of marauders. Undoubtedly, if I refuse to pay you, sir, ten cents which I honestly owe you, I do you a great wrong; but if you, having more physical strength than I, put your hand into my pocket and take ten cents out which I do *not* owe you, there are moralists, or there used to be, who would hold even that to be improper.

Before, however, I consent to be assigned to the category of a repudiator I must be permitted to state what the terms of contract were when our debt was contracted. Every man, before he purchases a bond, whether issued by the United States or any State, or by any municipality within a State, first looks to see whether the agents issuing the bond have authority of law for issuing such a bond as is offered to the market. It is therefore not only fair to assume, but impossible not to believe, that every man who holds a bond of the United States knows precisely what the authority was for issuing it. At the beginning of every month the Secretary of the Treasury publishes a statement of the items constituting the public debt; and referring to the act which authorizes each item. Referring to the last statement issued it will be seen that a little more than $783,000,000 of our bonded debt was authorized by the act of July 14, 1870, as amended by the act of January 20, following. There is nothing ambiguous in the terms of that act. Every bond authorized by it is, by words, as apt as could be selected, made payable not in gold but in "coin;" not in "coin" generally, but in "coin" of the then "standard value." All the rest of our bonded debt was issued under different acts of dates prior to July 14, 1870.

A dispute had existed upon the question whether some of those earlier bonds were not legally payable in *lawful money*. That dispute was settled by the act of March 18, 1869, by which it is "declared that the faith of the United States is solemnly pledged to the payment in *coin*, or its equivalent, of all obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligation has expressly provided that the same may be paid in lawful money, or other currency than gold or silver."

Such was the contract between the United States and its creditors as it stood on the 14th of July, 1870. All bonds issued under the act of that date were payable in coin of the then standard value. All other bonds were payable in any other coin which the United States might see fit to issue from its mints.

But it is now said, or at least insinuated, that since 1870 a new contract has been substituted and that by the terms of the new contract we have agreed not to pay any silver, but to pay exclusively in gold. In other words that we have contracted not to pay coin but in something 10 per cent. better than coin.

I do not forget the suggestion that payment in gold now is said to be no better for the creditor than payment in coin in 1870. I know how industriously it is argued that gold has not advanced but that silver has declined, and that it is the decline of silver, not the advance of gold, which occasions the existing difference between the exchangeable values of the two metals. At this moment I do not stop to dispute the truth of these assumptions. I simply ask, has the contract been changed? Must the public debt now be paid in gold, and is such payment 10 per cent. better than payment in coin? If so, when, where, and how was that change made?

An alteration so important should not be made in a corner; it should not be made in the dark; it should not be the result of indirection, of accident, or of trick. Two hundred millions should not be taken from the pockets of the people by mere legislative sleight-of-hand. If the contract has been so changed, we should expect to find the alteration made openly, publicly, and for a good consideration; above all we should expect it to be made plainly. It should not be the office of laborious interpretation to deduce an alteration in the contract which makes the burden of it two hundred millions heavier than it was as made. Where, then, is this disastrous alteration to be found?

Mr. President, the detective police has been employed for months in pursuit of that amendment; submarine lawyers have gone down in diving-bells fathoms deep into old statutes in search of the new contract; parliamentary archæologists have excavated whole mountains of mouldy debates to uncover it; and yet the whole combined force has failed to discover any such alteration. Not only have they utterly failed to show us that alteration of the contract, but even those who are most confident it exists are not at all agreed as to where it is to be found. Some by blasting have thought they uncovered it in the very heart of the "coinage act of 1873;" others by boring claim to have struck it in a crevice of the Revised Statutes. Such an amendment ought not to be lodged in either place, and I am glad to say for the credit of our legislation that I do not find it in either of those places; not the ghost of it.

A great deal has been said of the origin of the coinage act of 1873. It has been charged to stupidity, to conspiracy, to fraud, as well as to the opposites of those inspirations. Sir, I have nothing now to say of the parentage of that act; but I have this to say of its effect. It does not, in my judgment, have the least possible effect upon either of the acts under which our bonded debt was contracted. It does not change a word or a syllable either of the act of March 18, 1869, or of the act of July 14, 1870. It does not take a word out of those acts. It does not add a word to either of those acts. As we have already seen, the former act simply commands that the debt previously contracted shall be paid in coin, while the latter commands that the debt issued in pursuance of it shall be paid not merely in coin, but in coin of the standard value then existing. Among the coins then existing and recognized by law as an unlimited tender for debt was a dollar containing 412½ grains of standard silver. It has been said, carelessly no doubt, that such a coin was then obsolete. That is a mistake. Those dollars were then annually issued from the Mint. Over a million were issued in 1872. Over $900,000 were issued in 1873 before the coinage act took effect. Now, what is there in the act of 1873 which conflicts at all with either of the acts just referred to? It was the sole purpose of those acts to fix the relation between the United States and its creditors. It was the sole purpose of the act of 1873 to regulate the mints and coinage of the United

States. That act does not refer to the debt, it does not refer to the creditors of the United States. It does not directly or indirectly allude to either of them. The fifteenth section does indeed enumerate the silver coins of the United States and does omit from that enumeration the dollar containing 412½ grains, and the seventeenth section does declare that "no coins, either of gold or silver, or minor coinage shall hereafter be issued from the mint other than those of the denominations, standards, and weights herein set forth." But neither of those sections refer to the debt nor to those holding the debt. They are commands issued to the directors of the mints. I think myself the effect of the two sections is to declare that the dollar of 412½ grains shall no longer be coined; but, as was said a few days since by the Senator from Ohio, neither of those sections affect in any way the character of the silver dollars already issued. Whatever potency they had when issued they continued to have after the act of 1873 was passed. They had always been, and they still continued to be, legal tender for any and every debt, whether owned by the United States or by any individual in the United States. Not only is such the true construction of the sections referred to, but it is the express declaration of the sixty-seventh section of the same act. That section declares that—

This act shall not be construed to affect any act done, right accrued, or penalty incurred under former acts.

If, therefore, 412½ grains had been made into a silver dollar, that remained a silver dollar. If the right had theretofore accrued to pay a dollar's indebtedness with such a coin, that right still survived the act of 1873. If the act of 1873, instead of enumerating the coins thereafter to be issued from the Mint, had merely directed that thereafter no new coin should be issued, I take it no man, certainly no lawyer, would have insisted that such a provision at all affected the pre-existing obligations of the Government to pay its whole debt in coin, or at all affected the rights of the creditors of the United States to have their whole debt so paid; and if those rights and those obligations would have survived an express command to the mints not to issue any more coins of any description, certainly the right and the obligation must both survive a mere prohibition to issue one particular coin.

This construction is confirmed by reference to the repealing clause of the act of 1873. That clause does not repeal in terms any portion of the act of March, 1869, or of July, 1870. It does not refer directly or indirectly to those acts. It does not, in terms, repeal *all other acts and parts of acts inconsistent* with its provisions. The repealing clause is more restricted than that, and merely repeals "All other acts and parts of acts *pertaining to the mints, assay offices, and coinage of the United States* inconsistent with the provisions of this act."

Indeed, sir, the new contract contended for could not have been effected merely by the repeal of any portion of the acts of 1869 and 1870. Possibly you could abrogate the old contract by repealing those acts, but to make a new contract something should be added to them.

Those acts required payment in "coin." What is wanted now by the opponents of this bill is to find an act which inserts the word "gold" before "coin." Such an act has not been discovered.

It has been said in the course of this debate that the Revised Statutes took a step toward demonetizing the silver dollar in advance of the act of 1873. Section 3586 does indeed declare that "the silver coins of the United States shall be legal tender at their nom-

inal value for any amount not exceeding $5 in any one payment." That section does seem to include by its terms all the silver coins, whether issued from the Mint before the coinage act of 1873 or subsequently thereto, and dollars as well as subsidiary coins, and it is true that the Revised Statutes do repeal all prior acts upon the subject of coins and of legal tender; but it is expressly provided that the repeal of said acts "shall not affect any act done or any right accruing or accrued."

There are, therefore, two reasons why I think the public creditor has no right to insist that the Revised Statutes changed the obligation of the debts he owned: first, because that code declares its purpose not to affect any act already done or any right already accrued—the rights of the creditors and the rights of debtors stood after that enactment just as they stood before the enactment—and, secondly, because it was the whole purpose of that revision to leave not only rights but to leave laws precisely as they had been. The revisers were not authorized to make any change in the law, but to preserve the law precisely as it stood. The assent of the two Houses was given to the code upon the assumption that the law had *not* been changed. The very title proclaims the book to be "An act to revise and consolidate the statutes of the United States, in force on the 1st day of December, A. D. 1873," not to put a new act into force.

If there is an alteration in any of its provisions it is so clearly a mistake, so clearly the result of inadvertence, that a public creditor could not in conscience take advantage of it, and a private creditor would not be allowed to take advantage of it.

I conclude, therefore, that there is an utter failure to show any alteration in the contract made between the Government and its creditors by the acts of 1869 and 1870. As that obligation was then so it is to-day, so far as the obligation is created by statute.

If the creditor insists upon payment, not in coin but in gold, he must stand upon the equity of his claims, and not upon the law of the land.

What, then, are the equities upon which such a claim can hope to stand? One is that the creditor came to the rescue of the Government in its distress. When the Government needed money, money which could not be raised by taxation, then the capitalist advanced it; advanced it liberally, bountifully, and should therefore be paid, not niggardly, but generously.

Two or three considerations somewhat impair the weight of this equity. First, it is to be observed that the capitalist did not exactly *fly* to the rescue of the Government when it needed money. When the Government needed money, money could not be borrowed at home or abroad. Not abroad, for it did not suit the political purposes of foreign lenders to loan the Republic money. Not at home, for it did not suit the convenience or the ability of our own capitalists to supply the amount needed. The best that capital proposed to do for the Government was in the offer of the banks to loan the Government their own notes. Those notes were not money and were not by any possibility to be converted into money. The Government was therefore driven to the alternative of issuing its own notes. It did issue its own notes. It declared them a legal tender for debt, and being legal tender they found their way, as money does, into the vaults of the capitalists. They took the notes as the soldier and the farmer and the manufacturer took them, because they were compelled to take them; and they exchanged them for the bonds of the United States because they preferred to have the obligations of the Govern-

ment, which promised interest as well as principal, and named a specific time of payment, rather than to hold the obligations of the same debtor, which name no time of payment and which promised no interest for forbearance.

When, therefore, the capitalist took the bonds of the United States he consulted, as it was his right to consult, his own interest. I make no point upon the fact that they dealt with the notes as money until the volume was so swollen and the values of all other commodities were so enhanced that the bonds of the Government were deemed the best property on the market. I make no point upon the fact that they did not pay in gold for their bonds, and did not pay in notes for them until the notes had fallen far below the par of gold. The simple fact remains that they did exchange United States notes for United States bonds. They did assume the risk, whatever that was, of the Government paying the bonds. War cannot be prosecuted without some one incurring some risk.

Of course, before we stop building monuments to commemorate the various heroisms displayed during the late war we shall erect one at least in memory of the daring exhibited by the capitalist who accepted United States notes as the conscript put on the United States uniform, because he could not help himself, and who, when he could not find anything better in the market to buy, exchanged the notes for interest-bearing bonds. But does this heroism give to the doughty capitalist an equitable claim on the Treasury? Must it be paid for in cash?

Others besides the capitalist assumed risks. Farmers and mechanics accepted the same notes in exchange for their food and their fabrics. They can get no bounty, for they hold no bonds. A million volunteers stepped into the ranks of your armies. They assumed some risk! Three hundred thousand fell there! No compensation can ever be made here for the risk they assumed. More than one hundred thousand were disabled in that service. They ask even yet that the pensions promised them may bear date from the time of their disability, and as yet we have not responded to that modest request. The survivors in that struggle have thought the Government could afford to distribute a bounty among them of $25,000,000 or $50,000,000. We have not acquiesced in that request. These soldiers will hardly acquiesce in paying a bounty of two hundred millions to capital because of its daring.

By the sweat and the blood of that soldiery, by their sufferings and their sacrifices during the war, by the patient toil and hardy enterprise which they and their companions in labor have exhibited since the war closed, the public credit has been gradually lifted, until now every dollar represented by your debt, even if paid in the whitest silver ever issued from the Mint, has double the power in every market that any dollar invested in the old bonds ever had.

The air is filled with complaints that the public creditor is to be paid but ninety cents on a dollar; that the public debt is to be scaled down. If the assertion were true, which it is not, the public creditor ought to be glad to get even ninety cents on a dollar, considering the terms upon which he purchased, considering what untold sacrifice has been made to raise his purchase up even to ninety cents on the dollar. If it were not unconstitutional for capital to be grateful, the purchaser of your bonds who gets even ninety cents upon the dollar ought to devote a handsome portion of that as a thank-offering.

It has been said that a stronger equity still is presented by those

who have bought the bonds of the Government since the act of 1873 was passed. The act of 1873 did say that the dollar of the fathers should no longer be coined; but the act of 1873 imposed no sort of restriction upon the authority of any succeeding Congress to coin money. The creditor may have referred to that act to see what metals were then recognized in our coinage; but he was bound also to look at the Constitution, which Constitution grants to Congress and to every Congress the unrestricted authority to coin money and to regulate its value. Congress might have contracted to pay its creditors in gold dollars and in gold dollars of 25 or of 250 grains and succeeding Congresses might have been bound by the contract, but it is not in the power of one Congress by contract to restrict the authority of any succeeding Congress to coin money. It may be urged that it is a hardship for him who has purchased a bond upon the *supposition* that he was at some future time to be paid its face in gold to be told now that he will be paid in silver. The hardship is not great. If the quotations can be relied upon there is not a bond issued by the United States now on the market which cannot be sold for a premium. The most that any holder can say in derogation of the proposed measure is that if Congress shall agree to it he will not make as much as he hoped to make from his purchase; no man can say with truth that he will lose a dollar by his purchase.

I am therefore unable to see anything in the bill now before the Senate which either impeaches the good faith of the Government or impugns its sense of justice. It fulfills its contracts to the very letter and it meets every demand that justice can urge against the Government; so, if the question be one involving public faith, the bill preserves that faith both with the people and their creditors. It lays upon the former no burden which they have not assumed and yields to the latter just what they bargained for.

But, in point of fact, sir, no such question is involved in the bill before the Senate. The issue is not whether we shall pay ninety or one hundred and ten cents on the dollar of the public debt. If the bill becomes a law the creditor will receive one hundred cents on the dollar; if it fails to become a law the creditor will receive no more and no less than one hundred cents on the dollar.

Sir, we have no authority for saying that 412½ grains of silver are worth intrinsically less than 25.8 grains of gold. The former, I grant, brings less in the English and in the German markets than the latter, because England and Germany both proscribe silver and patronize gold. The silver brings less in our own markets. We have transmuted both into commodities, and accordingly we value both as we value our wheat, according to what they will bring in other markets. We cannot regulate the price of either metal in foreign markets; we can regulate the price of both in our own markets. Restore both to the rank of money, and while they remain money they will have precisely the same authority. If you wish to send either abroad it will go not as money but as a commodity, and you will always naturally send whichever is most capable in the market to which you remit.

Mr. President, I do not regard the demonetization of silver as an attempt to wrench from the people more than they agreed to pay. That is not the crime of which I accuse the act of 1873. I charge it with guilt compared with which the robbery of two hundred millions is venial.

The pending bill does not promise to the people cheap money. Every man who gets a silver dollar will pay for it the value of a gold

dollar. He will pay whatever the bullion price may be to the miner, and the balance he will pay to the Government for coinage, always assuming, as I cannot doubt, that the amendment reported by the Committee on Finance will be agreed to by the Senate. The pending bill will not lower our standard of value but preserve that standard. Sir, these are the reasons why I would remonetize silver: First, because silver is an American product, and I am unwilling to legislate against such a product, no matter where it is found. That, however, is a minor reason. If all the bonanzas in all the Nevadas were in the middle of the Pacific I should still insist upon the remonetization of silver.

Sir, the world grew old, populous, productive, and commerce was born when the world had for a currency only gold and silver, together with such accessories as Virginia tobacco, Indian wampum, Grecian cattle, Carthagenian leather, and other like barbaric contrivances could supply; but the quickening energies of civilization outgrew all these simple resources. Bills of exchange, promissory notes, bank-checks, bank-notes, and other forms of credit supervened. As population increased and spread over the surface of the earth, as production swelled, as machinery came to supply the want of manual labor, as the steamboat and the railway became common carriers, and harnessed lightnings drove the old couriers from their old beats, the volume of credit was inflated. I shall not exhibit in figures the magic growth of this production, this commerce, or this credit. The figures are within reach of every Senator. Only one item I submit.

The debts contracted by different nations already aggregate the fabulous sum of nearly $23,000,000,000, and this is exclusive of all indebtedness contracted by the States composing this nation, and exclusive of all municipal, corporate, or individual indebtedness. The enormous mass almost staggers belief. One obligation has restrained the growth of this debt. The law of every country has persistently tied its credit to its legal-tender issue. With few exceptions the legal-tender issue is constituted of gold and silver coin. The law has said everywhere, substantially, "promise what you please, but take care to promise no moneys which you cannot redeem in gold and silver coin, or in commodities measured by those coins; not by one of them, but by both of them." Such was the condition of the world a few years ago: national debts aggregating nearly $23,000,000,000; international trade three times as great; domestic production, internal commerce, and private debts absolutely immeasurable in volume. The circulating medium which moved this mass of business and resolved this fabric of debt was *coin*—gold and silver coin.

The stock of coin in the whole western world was estimated in 1870 at $3,700,000,000. Of that sum $1,275,000,000 were estimated to be in silver.

About that time the conspiracy seems to have been formed to withdraw from that circulation the silver in it; that is, nearly one-third of the whole stock. But when you expel one dollar of coin from the circulating medium you compel the retirement of all bank issues based upon it, and you shrink the value of commodities measured by it.

I shall not detain the Senate by narrating the growth of this conspiracy. A large part of Europe is already in it. France, it is said, joined it since this debate commenced. The practical question before us is, shall the United States become a party to it? For one, I decline.

Sir, this is not contraction; this is strangulation. This is not a

question of heaping burdens upon the labor and enterprise of the people. It is an attempt to paralyze that labor and that enterprise. It is not a proposition to add 10 per cent. to the obligation of the public debt. It is a deliberate effort to blast 33 per cent. of the ability of the people to pay the debt.

If the laws of the commercial world had from the beginning recognized barley and wheat to be grain, and contracts had been made to deliver 22,000,000,000 bushels of grain, and then if half that world should combine to prohibit the use of barley and to demand the delivery of wheat alone upon all grain contracts, I think the monstrous claim would startle the conscience of even our financial metropolis. But that measure would be merciful in comparison with the one which confronts us. That would leave the capacity to produce unshackled. This strikes a fatal blow at that capacity.

Gentlemen rather flippantly characterize the friends of the pending bill as the victims of a "silver mania." It is a mania which has possessed the world for thousands of years, and cannot now be dispelled by a sneer.

The honorable Senator from Michigan the other day, yielding for one delicious moment to the play of that exuberant fancy, which if not so sternly repressed would often, I fear, impel him into the domain of poetry, spoke of the measure as a "pest." He traced its origin to the West, and classified it with the grasshoppers and the Colorado bugs. Sir, I do not complain of this language; I assume that it was quite parliamentary; but I doubt if it was well considered; and let me say to that honorable Senator, and to all honorable Senators, and to all honorable gentlemen everywhere, that the West is not likely to faint even under such withering sarcasm. The West does not feel compelled to go to Wall street to study ethics. The West knows her obligations and keeps them as well as other portions of this country or of the world. She is not so old as the East and is not so rich as some portions of the East. She has fewer millionaires, thank God, and fewer paupers as a consequence, but she will venture to submit her business morality to judgment at the Great Assize beside that of her sister States, no matter where they may be located.

Sir, this is not an issue between the East and the West. It is an issue between productive effort and fixed capital. I say it is an issue between those who depend upon production for making capital and those who rely upon investing the income of earned capital in production. These are the two classes who hold up their hands to you to-day, and from the East as well as from the West—for on this question there is no East and no West and no North and no South—the welfare of all States and all countries is involved in it; and I must be allowed to add you cannot put the energies and enterprise of this country in the pillory you are trying to erect and be sure of public content. And should the people lose their temper under the exasperating influence of financial experiments their movements are likely to resemble nothing less than the flight of grasshoppers. The simple truth is the people of the West and the people everywhere believe you are trying to alter their contracts, and they object to it. They are as sincere in that belief as the chairman of the Committee on Finance is in his. If they are in error, point out to them their error; but you cannot convince them by vilifying them, by suborning newspapers to calumniate them, or by hiring caricaturists to make faces at them. It is all the more difficult to convince them because they are not in error. They are right. As to the law of the case, the Colorado beetle declares the law; and the Senator from Michigan,

eminent as he is, both as jurist and statesman, does not declare it, and he dare not dispute the law as they lay it down. As to the justice of the case, any beetle can interpret that more accurately than some have interpreted upon this floor.

Mr. President, the highest duty of this Government is to do exact justice to its citizens, debtors and creditors alike; not to mutilate contracts, not to impair them, not to enlarge them, but to enforce them as made. If it fail in this duty it is dishonored and disgraced. But beyond this it owes a duty to civilization and to mankind, and in my judgment the time has come to assume that duty. That duty is to give notice immediately and emphatically to the world that the United States will be no party to the atrocious attempt to shrivel enterprise to the standard of a single metal, that with our consent production shall not be manacled, that without our protest labor shall not be emasculated.

We are vociferously told that the President will veto the pending bill. To that effect I will believe no tongue but the President's. But if I had access to his ear I should not hesitate to tell him it was his duty not to thwart but to aid the friends of the bill in passing it, and to approve it when passed, and that it was his duty also, before the ides of March have come, to instruct every one of his ministers abroad to make early and earnest representation to the several governments to which they are accredited, that the dearest interests of millions now everywhere languishing in adversity, and of other millions which every succeeding generation must add, that the welfare of the world, if not its peace, demands the prompt remission of all efforts to ostracise either of the precious metals from the standard of value and from the medium of exchange. I believe one-half the effort, to say nothing of the money, expended to bring this country into the great conspiracy, would explode the conspiracy. But if other governments should prove deaf to these representations we could still show the suffering of all lands that there is here still a home for the oppressed where a generous soil and just laws await them, and where capital and labor are secured in their equal rights.

But we are told the cheaper metal will drive out the dearer and gold will be banished from our circulation. Silver will not drive out anything. Silver is not aggressive; it is so much like the apostle's description of wisdom that it is "first pure, then peaceable, gentle;" its opponents admit that it is too "easy to be entreated." I believe it is "full of mercy and good fruits," and I know it is "without partiality and without hypocrisy." Put a silver and a gold dollar into the same purse and they will lie quietly together. If the owner wishes to part with one he can part with either. Neither will go abroad unless the owner sends it, and he will not send it unless he gets something he would rather have in exchange for it. That does not impoverish the owner nor injure any one else.

But the gold, they say, will all disappear and we shall be deluged with silver. Sir, let us not be frightened by terms. "Be deluged with silver?" I admit the last deluge which visited the world was wet, uncomfortable, and destructive; but a deluge of silver is quite another affair. That is dry and so dense that the weakest swimmer could keep on the surface without the aid of an ark, and it would be so great a novelty that I would be glad to be visited by such a deluge.

But, again, it is so heavy to handle it! Then do not handle it. Accept the proposition moved by the Senator from Maine, [Mr. Blaine;] let your mints stamp bars instead of coining dollars; let the Treasury hold the bars, issue certificates for them, and then you

will have a paper circulation not merely representing coin but actually convertible into coin at the pleasure of the holder. But gold will not vanish in the presence of silver. It has not fled from the presence of greenbacks, not even when greenbacks were worth less than forty cents on the dollar in gold. The world has had all the gold it found absolutely necessary.

But after all we are asked why not put into the silver dollar the present commodity value of the gold dollar? I answer, for many and most commanding reasons. First, debts, public and private, are contracted aggregating thousands of millions. Each dollar is payable by 412½ grains of silver. You have no right to compel the delivery of 440 or 454 grains for each dollar. That is filching; only a few hundred millions, to be sure, but it is filching.

Secondly. Putting in that quantity of silver would make the measure a *felo de se*. The great object I aim at is to restore silver to that standard by which you measure the labor and the products of the world and to that medium by which you exchange the products of the world, and therefore I ask you to coin it into money once more. You say—yes, if you are allowed to put more into a dollar than can be procured for a dollar. Who does not see that silver cannot be coined upon such terms? Daily we are told by the opponents of the bill that when the coinage act of 1873 was passed silver dollars were not coined because 412½ grains could not be afforded for a dollar. This nation and other nations denounced silver as money, and it fell in the market. Now you generously offer to restore it at 454 grains to the dollar. When silver was money we could not get 412½ grains for a dollar in gold; we demonetized it; we can now buy, you say, 454 grains for a gold dollar. So you will consent to remonetize silver at that rate? Suppose once more all existing contracts for dollars were, instead, contracts for so many bushels of grain; that grain had in 1873 been recognized by commercial nations to include both barley and wheat, and both had commanded substantially the same price in the markets. Suppose, then, we had degrainetized barley; had enacted that it should not be deliverable on grain contracts. Of course the demand for barley would thereby greatly diminish; its price would decline. As the demand for wheat would correspondingly increase, its price would rise. Suppose we had watched the rise of wheat and the fall of barley until two bushels of the latter would only buy one of the former. Suppose there came to us then, as there would be sure to come, a cry like that we hear now, "the world cannot produce the wheat to fill our grain contracts; barley is abundant, and for it there is little use. In the name of mercy regrainetize barley." Can any one who knows the honorable chairman of the Committee on Finance conceive that he would respond to such a demand, "Yes, we will permit you to deliver barley for grain once more, provided you will deliver two bushels for one?"

I insist that silver shall be restored to the medium of exchange; but I am told that the two coins must be of equal value not only in our market but in all markets. Well, I say the first step toward equalization of the two is to remonetize both. When you have done that, I will agree to a convention of representatives from the commercial nations to establish a common relation. There can be no question that the general recognition of silver as money would demonstrate that the ratio fixed by the pending bill is too high rather than too low. But I will not consent to build a "lean-to" upon our coins so often as the malign legislation of any foreign government may succeed in discrediting the metal of which they are composed.

Mr. President, since the adjournment on Thursday last a petition has been received here from certain bankers in my own State. One of them has favored me with a copy of the petition. I know the signers. I know them to be gentlemen of high character whose instructions I would be very likely to follow upon questions of this character. What I have said this afternoon I have said more by way of explaining my course to this portion of my constituents than for any other purpose. In the letter which accompanies this petition my correspondent says that the petition was sent to my honorable friend from Vermont, the chairman of the Committee on Finance, because it was feared that neither my colleague nor myself would indorse the petition. The fear was well-grounded so far as I am concerned; but I think the Senate knows that not only I but other Senators almost daily lay on your table petitions which the Senator presenting cannot indorse. But my correspondent says:

This silver business seems pretty hard. We have bought and sold United States bonds since 1863 and 1869, and Government has received gold coin every time, and now to compel people to take less is hard.

Of course that statement is true, or my correspondent would not have made it; but it is one of the most extraordinary financial statements, I think, which has been made during the course of this debate; and this debate will be memorable for the extraordinary statements it has elicited. These bonds which my correspondent says he sold, and for which the Government has received gold, were issued under the acts of March 3, 1863, of March 3, 1864, of March 3, 1865—all except those which were issued under the act of July 14, 1870. Every one of these loans was purchasable by the law in United States notes, and during the year 1863, of those notes it took $145.20 on an average to buy $100 in gold. During the year 1864 it took $203.20 of those notes to buy $100 in gold; during the succeeding year it took $157.70; during the next year, $140.90; during the next, $168.20; during the next, $139.70; and during 1869, $133.

I say in view of the fact that those bonds might have been paid for with those notes it seems a very strange thing that they should have been paid for in gold which was worth so much more. But it is not to be supposed that an honorable banker would make a statement upon a grave question of this kind as within his own personal observation and knowledge that was not absolutely correct.

The petitioners assign several reasons why we should refuse to pass this bill. I allude to just one and shall only expend a word upon that. They say:

While the Government may have a technical right to pay a certain portion of its obligations in silver, we yet believe that an enforcement of this right would be a violation of the spirit of the contract with damaging results far in excess of the possible benefits, and to also cast a stain upon our commercial integrity and which it would take generations of time to wipe out.

"A technical right" to pay debts in silver coin. How came that technical right to arise? What technical right is there about it or what chance for technicality? Either the public creditor has agreed to take silver or we have agreed to pay gold, one of the two. If the last is the case, you must pay gold; and, if the first is the case, no creditor has a right to talk of our taking advantage of a technicality.

When the farmer promises to deliver the crop on a hundred acres of wheat and tenders it he should not be accused of skulking under a technicality because he declines to accompany the delivery of the crop with a deed of the land.

If we take advantage of the technicality we are told it will be

accompanied by "damaging results far in excess of the possible benefits, and it would also cast a stain upon our commercial integrity and which it would take generations of time to wipe out."

One word and I have done. The commercial integrity of this country, Mr. President, is not likely to suffer so long as the people pay just as they have agreed to pay; and the commercial integrity of this country never can survive that time when the Government undertakes to wrest from the pockets of the people more than they have agreed to pay. I plant myself on the law and the justice of the contract and I will guarantee the integrity of the country so long as the country stands by its contracts.